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REMARKS

DIA review(s) completed.

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11 October 1974

Interim KIQ/KEP Status Report

I. BACKGROUND

On 12 August FY-75 KIQs were distributed to the Intelligence Community, and on 23 August USIB and IRAC were enjoined to proceed with the development of Production and Collection Strategies for each of them. On 31 August the FY 74 KEP Pilot Program performance period ended, and the community was requested to begin preparation of data for the evaluation phase of the pilot program.

Community reaction to these separate, but inextricably related, events was mixed. The objectives, direction, and methodology for evaluating community performance on the FY-74 pilot program KIQs have been consistent. Wide dissemination of detailed guidance and instructions for the preparation of Performance Reports, and experience in providing baseline data facilitated an orderly response to requests for FY-74 performance information. The FY-75 KIQs, accompanied by only a broadly outlined evaluation methodology, have caused some confusion. Some agencies, despite the admonition that "information on how we will proceed to evaluate (FY-75 KIQ) performance and estimate costs will be provided after we have completed the FY-74 pilot program", 1/ have formed adverse judgments about the direction and potential efficacy of the KEP, and are responding to the task of developing FY-75 Collection and Production Strategies on the basis of those premature perceptions.

1/ DCI memo dated 23 August 1974, "KIQ/KEP Program for FY 1975"
(USIB/IRAC-D-22.1/27)

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The following report summarizes community progress in assessing its performance during the FY-74 pilot program, and in developing Production and Collection Strategies for FY-75 KIQs.

II. FY-74 KIQ/KEP Pilot Program Status

Since the KEP was designed to be a simple, iterative process to evaluate community performance with respect to Key Intelligence Questions, its structure represents an evaluation system with minimal input data requirements.

As of 8 October, NIOs have completed and forwarded KIQ Performance Reports on three of the 11 KIQs in the Pilot Program. Among producers, only DIA has provided Production Performance data--products and costs. Happily this data covers all 11 KIQs, is complete, concise and fully responsive to FY-74 KEP Instructions. While Collection Performance Reports are being compiled by each USIB Collection Committee, only the SIGINT Committee has provided a finished draft.

None of three additional "fuzzy" evaluations--performance assessments made by NIOs without the benefit of a structured and methodical approach--have been received. (You will recall this effort, by providing an example of what might be done without a KEP, was to facilitate decisions on the nature and extent of the FY-75 Evaluation Process.)

Analysis of performance reports on FY-74 pilot program KIQs received thus far shows that evaluation of community performance on KIQs is feasible through identifying information gains, determining the degree of deficiency fulfillment and associating production and collection costs with KIQ efforts. In brief: The KEP as designed can work!

Pilot program experience with baseline and performance reporting processes demonstrate that the KEP is a viable procedure for evaluating community performance. The community acquired and provided reasonably accurate data at nominal cost and without initiating a large, bureaucratic exercise.

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Although only a small amount of performance data is now available, some tentative indications of community performance can be drawn.

Data for the FY-74 pilot program GDIP production performance indicates that GDIP production performance against the pilot program KIQs was good. DIA completed 38 (or 75%) of their 51 baseline production commitments and produced a large number (47) of "extra" products. The O&M dollars expended by the GDIP on production against the pilot program KIQs amounted to [redacted] of total GDIP O&M expenditures for the six-month pilot performance period.

[redacted]

These data, limited as they are, show that THE MATRIX can be accomplished.

[redacted]

FY 74 PILOT PROGRAM KIQ AND NON-KIQ O&M EXPENDITURES

BY PROGRAM FOR SIX MONTHS

(dollars in millions)

^{1/} Support costs have been included.

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III. How the Community Worked the FY-74 Problem

In drafting performance reports on FY-74 pilot program KIQs, NIOs have taken two quite different tacks. One sets forth explicitly the information gained with respect to each deficiency and derives therefrom a conclusion as to the degree the deficiency has been fulfilled. In the other approach, NIOs simply have noted that there has been an information gain before recording their judgment as to the degree of information deficiency fulfillment. Both approaches have provided useful measures of community progress against identified substantive and analytical deficiencies with respect to the KIQ.

KIQ performance assessments received from NIOs indicate they had little difficulty in determining the relative contribution each collection sensor/technique made to the fulfillment of individual information deficiencies.

Identification of critical areas of concern within each KIQ--information deficiencies, or whatever they may be called--is central to the KEP program to allow production and collection managers to assign tasks, measure results, and estimate costs; and for NIOs to assess KIQ satisfaction. 1/

Preliminary examination of production data inputs indicate that the revisions in GUIDANCE AND INSTRUCTIONS for preparation of performance reports which were issued on the basis of Baseline Report experience, simplified the process and successfully resolved earlier ambiguities. DIA's inputs were clean, had no internal inconsistencies, did not require extensive explanation, and were submitted on the date requested.

As mentioned earlier, while collection performance reports are being compiled by each USIB collection committee, only the SIGINT Committee has provided a finished draft. Here too, although possessing relatively few SIGINT reporting entities (COMINT, ELINT, telemetry, etc.) compared to NSA and CIA, DIA's data inputs were complete and better organized.

1/ In 11 of the 16 FY-75 KIQ Strategies thus far drafted, NIOs have isolated a set of specific needs within the KIQ as the vehicle to establish data needs, and to determine which products should be produced.

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The responsiveness and quality of DIA's KEP reporting is due to (1) top level direction and support of KIQ/KEP objectives; (2) establishment of a single point of contact for KIQ/KEP matters; (3) promulgation of a set of internal procedures and instructions for developing all substantive and management information relating to the KIQ/KEP program.

In NSA, the Office of Production, the Plans and Resources Organization, and an individual attached to the Director's Management Information Center, are providing KIQ products and resources data to the SIGINT Committee through NSA's Committee representative.

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There is no single point of contact for KIQ/KEP matters within CIA. [redacted] "acting as the point of contact within CIA for production of DDI and DDS&T outputs for production data requirements" is acquiring product data from DDI and DDS&T components, and production resources data from the CIA Comptroller. With respect to CIAP collection data, USIB collection committees, following the procedures used for soliciting and providing baseline collection data, have requested [redacted] Division D, and FBIS, to provide human sources and COMINT performance data; and OEL and NPIC to provide ELINT, telemetry and imagery information. In each instance, the data is intended to provide information on the amount of resources devoted to a particular KIQ and each identifiable element that attempted to collect against the KIQ. (It is understood that DDO resources data is to be submitted to the Comptroller for validation before being released to the Committees.)

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Considering that intelligence community programs are developed, operated, and audited through management systems based on budget/accounting needs, rather than on substantive or functional requirements, collectors (particularly CIA's DDO) are having some difficulty in determining KIQ costs. In the main, Program Managers are addressing these difficulties in the same manner that they have successfully resolved similar problems in developing and providing intelligence target data for CIRIS. Knowing your views on the responsibilities and equities of the Program Managers, the IC Staff has not attempted to tell them how to handle this problem.

These difficulties notwithstanding, it is clear now that the FY-74 KEP is a viable procedure for evaluating community performance and can provide credible and meaningful data relating KIQs and community efforts, to products and costs. Attached, as Annex A, are sample KIQ Performance Reports completed from inputs received as of 8 October.

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IV. FY-75 KIQ/KEP Program

Broad guidance for the FY-75 KIQ/KEP program was set forth in two DCI memoranda, dated 3 July and 23 August, which state that the NIOs will provide "an initial review leading to a brief report on each KIQ." Both memos specify that these brief reports will provide the NIOs' assessment of the "community's production and collection strategy for each KIQ, identify the agencies accepting an obligation to work on the KIQ, and make appropriate recommendations for improvement in the strategies."

The requirement to assess community production and collection strategy necessitates a critical review of the collection and production plans of intelligence community agencies, and a determination of the community's knowledge about the KIQ--what are the most important deficiencies and what are the uncertainties and differences surrounding it. The review should reveal omissions and shortfalls (or overemphasis) in community collection and production plans, thereby allowing the NIO to identify desirable changes (or new efforts--i.e., produce an optimum Production and Collection Strategy for each KIQ).

The approaches being used to develop FY-75 KIQ Strategies are neither uniform nor commonly structured. NIOs--some working independently, others working with community representatives, and still others by delegating the task to community offices/agencies--have drafted collection and production strategies for 16 of the 70 FY-75 KIQs. The number and the organizational diversity of action officers seeking production and collection commitments from individual agency collection and production components has caused considerable confusion in the community. FY-74 Pilot Program experience clearly shows that while community producers, and production schedules are sufficiently flexible to accommodate almost any reasonable requirement, collectors and collection programs cannot react to a large number of individually optimized requirements.

Review of draft FY-75 KIQ strategies shows that while NIOs have determined main areas of concern for most KIQs, they have not reviewed in detail the production or collection plans of individual agencies/programs concerning their areas of responsibility. In such cases, resultant strategies do not reflect total IC efforts, but rather only the efforts

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which the NIOs feel essential to addressing the question. In view of the requirement for Program Managers to provide assessments of their total KIQ contribution at the close of the year, a limited approach to developing strategies would severely constrain a community-wide performance evaluation at the end of the year.

Whatever the basis, and individual differences in the organization and detail of data, the draft strategies as presently constituted will result in 70 individual KIQ "Production Strategies" and 70 individual "Collection Strategies" which USIB and IRAC must consider as a community corporate activity.

The FY-75 KEP is in trouble because

1. Many KIQs are too broad to be used as a basis for determining what really needs to be done, or collected . X
2. NIOs do not have a common approach to developing strategies.
3. Strategies do not have a common structure and level of detail.
4. Individual NIOs, or their community agents, are seeking to task individual production shops, or collection offices, on the basis of individual KIQ strategies.
5. There is confusion in the community about what is wanted, who is (or should be) doing it, and how it should be done.
6. USIB Collection Committees, despite recently assigned resources responsibility in LOIs, are being circumvented.
7. Program Managers are reluctant to respond to individually requested KIQ actions.
8. Program Managers, other than the DIR DIA, have not established a KIQ/KEP focal point to accept action responsibilities and provide management information (resources and costs).

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9. Responsibility for aggregation and analysis of individual strategies has not been assigned.

Regardless of the final decisions on the structure and detail of the FY-75 KEP, to avoid chaos, the following actions need to be taken:

1. Firmly establish the ICS as the community focal point for a) aggregating requirements; b) providing such requirements to USIB Collection Committees for processing and determining net new tasks; c) designing and managing the evaluation system; and, d) assessing overall community performance.
2. Request Program Managers to designate a single individual within each program as a focal point.
3. Inform Program Managers that their organizations are expected to participate fully in supplying data and meeting deadlines and reassure the Program Managers, once again, that you do not intend to tell them how to respond or how to run their programs.

The KEP as designed in the Pilot Program can work in FY-75 if that is desired. -- Results show that the effort involved is minimal and the answers meaningful. It is not clear yet whether or not a 1975 KIQ/KEP program, as now defined, can be made to provide the link between substance and resources which you are seeking.

Attachment
Appendix A

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X1 IC/MPRRD/R&AB [redacted]

Distribution:

Cy 1&2 - DCI
[redacted]
Cy 4 - ER
Cy 5 - C/MPRRD
Cy 6 - IC/REG
Cy 7 - MPRRD [redacted]
Cy 8 - PRD/IC
Cy 9 - IC/CPAD
Cy 10 - AD/DCI/IC
Cy 11 - D/DCI/IC
Cys 12, 13, 14, 15 - MPRRD/R&AB

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APPENDIX A

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